



***Program Compliance Office  
Cal Grant/Specialized Program Review Report***

***2000-01 Award Year***

**University of California - Los Angeles  
Program Review ID#80200131500**

**405 Hilgard Avenue  
Los Angeles, CA 90024-1435**

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**Program Review Dates:** September 16 – 20, 2002

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## AUDITOR'S REPORT

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### SUMMARY

We reviewed University of California - Los Angeles's (UCLA) administration of California Student Aid Commission (Commission) programs for the 2000-01 award year.

The institution's records disclosed the following deficiencies:

- Non-Compliance with the Commission's Webgrants Information Security and Confidentiality Agreement
- State Work-Study Teaching Intern Program Recipients Not Notified of Award
- Cal Grant Award Not Returned
- Unmet Need Reported Incorrectly
- Interest Earned on Cal Grant funds Not Remitted
- Reconciliation Not Completed

### BACKGROUND

Through institution compliance reviews, the administration of Commission programs is evaluated to ensure program integrity with applicable laws, policies, contracts and institutional agreements as they pertain to the following grant programs administered by the Commission:

Cal Grants	A and B
Specialized Programs	State Work-Study Program
	State Work-Study Teaching Intern Program

The following information, obtained from the institution and Commission database, is provided as background on the institution:

#### A. Institution

- Type of Organization: Public Institution of Higher Education
- Chancellor: Albert Carnesale
- Accrediting Body: Western Association of Schools & Colleges
- Size of Student Body: 36,000

#### B. Institutional Persons Contacted

- Pamela Martin: Associate Director
- Nicolas Valdivia: Assistant Director
- Cathie Staples: Cal Grant Coordinator
- Elizabeth Paniagua: State Work-Study Coordinator
- Andrew Arredondo: Training & Compliance Officer

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## AUDITOR'S REPORT (continued)

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### BACKGROUND (continued)

#### C. Financial Aid

- Date of Prior Commission Program Review: June 1994
- Branches: None
- Financial Aid Programs: Federal: Family Education Loan Program, Work-Study, Pell, Perkins Loan, and SEOG  
State: Cal Grants A and B, Graduate Fellowship, State Work-Study Program, State Work-Study Teaching Intern Program
- Financial Aid Consultant: None

### OBJECTIVES, SCOPE AND METHODOLOGY

The purpose of our review is to provide the Commission with assurance that the institution adequately administered the Commission programs and their compliance with applicable laws, policies, contracts and institutional agreements as they pertain to the grant programs administered by the Commission.

The review will focus on, but not be limited to, the following areas:

- A. General Eligibility
- B. Applicant Eligibility
- C. Fund Disbursement and Refunds
- D. Roster and Reports
- E. File Maintenance and Records Retention
- F. Fiscal Responsibility and Program Funds

The specific objectives of the review were to determine that:

- Administration systems have adequate controls to ensure that grant funds received by the institution are secure.
- Administration systems have adequate controls to ensure that grant payments are accurate, legal and proper.
- Accounting requirements are being followed.

The procedures performed in the conduct of this review include:

- Evaluate the current administrative procedures through interviews and reviews of student records, forms and procedures.
- Evaluate the current payment procedures through interviews and reviews of student records, forms and procedures.
- Review the records and grant payment transactions from a sample of 40 students who received a total of 25 Cal Grant A awards and 15 Cal Grant B awards within the review period. The program review sample was randomly selected from the total population of 6932 Cal Grant recipients.

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## AUDITOR'S REPORT (continued)

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### OBJECTIVES, SCOPE AND METHODOLOGY (continued)

- Review the records and verified the grant payments from a sample of 40 students who received SWS awards with the review period. The review was randomly selected from the 2000-01 total population of 270 SWS recipients.
- Review the records and verified the grant payments from a sample of 15 students who received SWS-TIP awards with the review period. The review was randomly selected from the 2000-01 total population of 31 SWS-TIP recipients.

This review was conducted in accordance with **Government Auditing Standards** issued by the Comptroller General of the United States. However, the procedures did not constitute a review of the institution's financial statements.

The review scope was limited to planning and performing procedures to obtain reasonable assurance that Commission grant funds were administered according to the applicable laws, policies, contracts and institutional agreements. Accordingly, transactions were examined on a test basis to determine whether grant funds were expended in an eligible manner. The auditor considered the institution's management controls only to the extent necessary to plan the review.

This report is written using the exception-reporting format, which excludes the positive aspects of the institution's administration of the California grant programs.

The names and social security numbers of the sample of students reviewed have been excluded from the body of this report and have been replaced by identifying numbers. Attachment A is a listing of the students by name, social security number and program type.

### CONCLUSION

In conclusion, except for the deficiencies cited in the Findings and Required Actions section of this report, the institution administrated the Commission grant programs in accordance with the applicable laws, policies, contracts and institutional agreements as they pertain to the Commissions grant programs.

### VIEWS OF RESPONSIBLE OFFICIALS

The findings were discussed with agency representatives in an exit conference on September 20, 2002. The agency staff concurred with all findings.

September 20, 2002

Charles Wood, Manager  
Program Compliance Office

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## FINDINGS AND REQUIRED ACTIONS

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### A. GENERAL ELIGIBILITY

**FINDING:** **Non-Compliance with the Commission's Webgrants Information Security and Confidentiality Agreement**

A review of institutional and Commission records revealed that the institution failed to comply with the Information Security and Confidentiality Agreement.

**DISCUSSION:**

As stated on the Information Security and Confidentiality Agreement, institutions must notify the Commission within five (5) working days to cancel the password and ID of any employee whose change in employment status or duties no longer necessitates access to the GDS – Web Grants system.

A review of the Web Grants Individual External User Access Request Form revealed that the institution had not notified the Commission in writing to cancel the password and ID of one employee who had ceased working for the institution. Per discussions with the Cal Grant Coordinator, the employee had ceased working for UCLA.

**REFERENCES:**

Web Grants Information Security and Confidentiality Agreement  
Commission Special Alert, GSA 2000-01, 01/19/00

**REQUIRED ACTION:**

During the on-site review, UCLA submitted an Individual External User Access Request Form (S002) requesting to delete the former employee from the Commission's list.

In addition, the institution submitted administrative policies and controls to ensure compliance as outlined on the Web Grants Information Security and Confidentiality Agreement. Therefore, no further action is required for this finding.

### B. APPLICANT ELIGIBILITY

**FINDING:** **State Work-Study Teaching Intern Program Recipients Not Notified of Award**

A review of 15 SWS-TIP student files revealed 13 cases in which the institution failed to inform students of the award.

**DISCUSSION:**

As indicated in the California Education Code, institutions shall maintain all necessary records, including, but not limited to:

- need analysis documents
- employer agreements
- financial aid awards documents
- timesheets
- records of payments provided to the student.

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## FINDINGS AND REQUIRED ACTIONS (continued)

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A review of the SWS-TIP file of student Nos. ST1, ST2, ST3, ST4, ST5, ST6, ST7, ST10, ST11, ST12, ST13, and ST15 revealed that the award letter provided to the respective students failed to include the SWS-TIP award for the 2000-2001 award year.

### REFERENCES:

California Education Code, Section 69962(b)  
California Student Aid Commission, Responsibilities for the State Work-Study Program, Page 3

### REQUIRED ACTION:

The institution submitted policies and procedures that will be implemented to ensure that students are notified of their SWS-TIP award during the on-site review. Therefore, no further action is required for this finding.

#### C. FUND DISBURSEMENT AND REUFNDS

### FINDING: Cal Grant Award Not Returned

A review of 40 Cal Grant student files revealed 2 cases in which the institution retained Cal Grant funds.

### DISCUSSION:

Participating institutions agree to reconcile all Cal Grant funds received and return any unused funds to the Commission. According to Commission and institutional records, the institution requested the following payments for the students listed below:

Student No.	Advance Amount	Type of Payment	Term
23	\$1,428	Full-Time	Summer 2001
24	\$ 760	Three-Quarter Time	Summer 2001

A review of file for student No. 23 revealed that the student was only enrolled in 8 units for the summer 2001 quarter and was appropriately paid a three-quarter time payment in the amount of \$866. UCLA failed to return the difference of \$562 (\$1,428-\$866) to the Commission.

In the case of student No. 24, the student was enrolled in 4 units for the summer 2001 quarter, which made the student ineligible to receive Cal Grant funds. Although, the institution correctly determined that the student was not eligible to receive Cal Grant funds, however, failed to return the funds in the amount of \$760 to the Commission.

The ineligible funds identified for student Nos. 23 and 24 in the amount of \$562 and \$760, respectively will be included with Finding F.2. of this report.

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## FINDINGS AND REQUIRED ACTIONS (continued)

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### REFERENCES:

Institutional Agreement, Article III.C.2.  
Cal Grant Manual, Chapter 5, page 5-11 through 5-15  
Cal Grant Manual, Chapter 6

### REQUIRED ACTION:

The institution is required to submit written policies and procedures that will be implemented to ensure that Cal Grant funds are reconciled and any unused funds are returned to the Commission accordingly.

### INSTITUTION RESPONSE:

#### **C. Cal Grant Award Not Returned Fund Disbursement and Refunds**

- Attachment: E.16A written policy & procedures
- Attachment: E.16B written policy & procedures
- Previous Cal/Pell Grant FAM Screens 312 & 323
- Revised New Cal/Pell Grant FAM Screen 383
- Copies of reports that will assist with reconciliation. *In the process are* focus reports that will utilize the new screen features.
- Written policies and procedures that are implemented to ensure the Cal Grant funds are reconciled and any unused funds are returned to the Commission accordingly.

We are implementing a new screen that will assist with the reconciliation of all funds received and disbursed by UCLA. This new process will allow UCLA to report any adjusted payment transaction reported previously that may or may not have created an overpayment.

### AUDITOR REPLY:

The institution's response is deemed satisfactory, thus, no further action is required.

#### **D. ROSTERS AND REPORTS**

#### **FINDING: Unmet Need Reported Incorrectly**

A review of 40 Cal Grant student files revealed 19 cases in which the institution calculated and reported an incorrect unmet need amount to the Commission.

### DISCUSSION:

For renewal students, institutions must calculate a student's unmet need, report the unmet need amount to the Commission, and retain the supporting documentation within the student's file. Institutions may use the Commission's annually established student expense budget or the institution may adopt its own student budget for determining



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## FINDINGS AND REQUIRED ACTIONS (continued)

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renewal financial eligibility provided the budgets do not exceed those used for campus-administered aid. The Institution must report the resulting unmet need amount on the Grant Roster or the Commission G-21 form. The unmet need amount is defined as the student's cost of attendance (COA) minus the Expected Family Contribution (EFC) minus Pell. The unmet need amount must be supported by substantiating documentation and retained by the institution.

A review of the file of student Nos. 3, 5, 7, 8, 11, 13, 16, 17, 21, 22, 24, 25, 31, 34, 35, 36, 37, and 40 revealed that the institution failed to include the student's Pell Grant award when calculating and reporting the unmet need amount to the Commission. As an example, student No. 6, the institution calculated and reported an unmet need of \$11,831, which is the student's COA (\$14,429) minus the EFC (\$2,598). The correct unmet need amount that should have been reported is \$11,081 as illustrated below:

<b>Components Used to Determine the Correct Unmet Need</b>			
<i>Cost of Attendance</i>	<i>Less Estimated Family Contribution</i>	<i>Less Pell</i>	<i>Equals Unmet Need</i>
\$14,429	\$2,598	\$750	\$11,081

### REFERENCES:

Cal Grant Manual, Chapter 2, page 2-5  
Cal Grant Manual, Chapter 4, pages 4-1 through 4-3  
Cal Grant Manual, Chapter 5, page 5-2, 5-8, 5-15 and 5-16

### REQUIRED ACTION:

Although, no liability resulted from the above finding, the institution is required to submit policies and procedures that will be implemented to ensure that the correct unmet need amount for renewal Cal Grant recipients is correctly calculated and reported to the Commission.

### INSTITUTION RESPONSE:

#### **D. Unmet Need Reported Incorrectly** **Rosters and Reports**

- Attachment E. 2
- Attachment E.11
- Screen 312 Budget Screen
- Policy and procedures that are implemented to ensure that the correct unmet need amount for renewal Cal Grant recipients is correctly calculated and reported to the Commission.

### AUDITOR REPLY:

The institution's response is deemed satisfactory, thus, no further action is required.

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## FINDINGS AND REQUIRED ACTIONS (continued)

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**F. FISCAL  
RESPNSIBILITY**

**FINDING 1: Interest Earned on Cal Grant Funds Not Returned**

An examination of the institution's Cal Grant account revealed that interest is earned on Cal Grant funds and has not been returned to the Commission as required by the Institutional Agreement.

**DISCUSSION:**

As indicated in the Institutional Agreement, all interest earned on Cal Grant funds must be returned to the Commission on behalf of the State of California regardless of any agreement between the bank and the institution relative to bank charges or co-mingling of funds. However, if an invoice is \$5.00 or less, the interest refund is not required.

Institutions participating in the Cal Grant programs receive a one lump sum payment before the start of each term. The advanced amount is calculated at 95% of each school's prior academic year reconciled payments for the same terms. After the initial advance payment from the fall term, all advances for subsequent terms are reduced by any unused funds remaining in the school's grant account at the time the subsequent advances are generated. At the end of each month, the school's grant account is reduced (reconciled) by the amount of accepted payment transactions submitted by the school during the month. Additionally, the Commission does not require institutions to disburse Cal Grant funds to student's prior to receipt of an advance.

Discussions with the Manager of General Accounting disclosed that, "the University's cash balance participates in Short Term Investment Pool (STIP) invested and administered by The Treasure's Office. The balance in the Cal Grant accounts (negative or positive) will participate in the STIP investment process as part of the University's cash balance."

Commission records indicate that the institution received the following advances:

Term	Date	Amount
Fall 2000	08/10/00	\$7,437,823
Winter 2001	12/08/00	\$7,166,216
Winter 2001	02/28/01	\$ 993,736
Spring 2001	03/13/01	\$7,583,355
Spring 2001	05/07/01	\$ 160,571
Spring 2001	06/07/01	\$ 685,213
Spring 2001	06/07/01	\$ 12,921
Spring 2001	08/13/01	\$ 53,368
Spring 2001	09/12/01	\$ 328,459
Spring 2001	10/17/01	\$ 331,005
Spring 2001	11/02/01	\$ 175,313
Spring 2001	12/14/01	\$ 156,820
Spring 2001	01/08/02	\$ 672

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## **FINDINGS AND REQUIRED ACTIONS (continued)**

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Further review of the student files and UCLA's Source Control Subsidiary Ledger (Account No. 4-117001) disclosed that Cal Grant funds are not immediately posted to the student's account upon receipt of the funds. For example, in the table above, the institution received Cal Grant funds on 08/10/00 for the fall 2000 term. Based on the institution's 2000-01 Cal Grant-GL Reconciliation Report, Cal Grant funds were posted to students accounts on 09/18/00 for the fall 2000 term, thus accruing interest in the STIP investment account.

### **REFERENCES:**

Institutional Agreement, Article II.C and III.C.1  
Cal Grant Manual, Chapter 9, page 9-11

### **REQUIRED ACTION:**

Beginning with the 2000-01 award year (July 1, 2000), the institution must return on behalf of the State of California all interest accrued on Cal Grant funds to the present. If the accrued interest is co-mingled with other institutional funds, the funds must be differentiated. It is also noted that if the institution disburses funds to the students prior to receipt of an advance, no negative interest is allowable. Please submit payment as directed in the general payment instructions located at the conclusion of this report along with supporting documentation of the amount returned.

Additionally, the institution is required to provide the written procedures and internal controls that will be implemented to ensure that interest is returned as required. These procedures should include the rate used to calculate Cal Grant interest, the time frame for returning the interest, and the titles of staff responsible for ensuring that the interest is returned to the Commission.

### **INSTITUTION RESPONSE:**

We acknowledge our liability in regard to accruing interest in the STIP investment account and understand that the interest is co-mingled with other institutional funds. All interest earned on our Cal Grant accounts will be returned to the Student Aid Commission on behalf of the State. Our accounting office is in the process of calculating the amount due along with supporting documentation.

We have included written policies and procedures to meet our obligation as agreed to in the Institutional Participation Agreement under Article II, C – L.

To assist with meeting our obligations we are going to participate in the Electronic Funds Transfer (EFT). The EFT will allow us to request the funds as we disburse them. We have already completed our paperwork and recently forwarded our paperwork to the Commission. After the testing of data transfer to ensure everything is in place, we may start as early as March 2003. We have attached the EFT documents.

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## FINDINGS AND REQUIRED ACTIONS (continued)

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- Attachment - EFT Supporting Documentation
- Attachment - Summary of interest earned for award year 2000-01 & 2001-02  
(check to follow within two weeks) .
- Attachment - E16.C

### AUDITOR REPLY:

The institution returned \$110,922.59 on check #00004027817 dated 3/07/03 and the required policies and procedures, thus, no further action is required.

#### F. FISCAL RESPNSIBILITY

### FINDING 2: Reconciliation Not Completed

A review of institutional records revealed that Cal Grant funds were not reconciled for the 2000-01 award year.

### DISCUSSION:

Institutions participating in Cal Grant programs are required to reconcile their accounts with the funds received from the Commission for each academic year. Institutions are directed to make all disbursements no later than September 30<sup>th</sup> following the award year (e.g., September 20, 2001 for the 2000-01 award year). Furthermore, participating institutions agree to use the advance funds solely for the administration of the Cal Grant programs. Upon receipt of Cal Grant funds from the Commission, the institution must determine and verify student eligibility prior to disbursing funds.

Should the institution's records of individual payments to eligible student be less than what the Commission paid, the institution must return the difference to the Commission. Additionally, the institution will bear the liability for payments not reported prior to the required reconciliation date.

For the 2000-01 award year, the Commission advanced and the institution reported \$25,161,727.00 in payments. Upon further examination of the institution's accounting records, it was determined that the institution disbursed a total amount of \$25,115,913.34 in Cal Grant funds. Of the \$25,115,913.34 disbursed, \$21,295.34 was not reported to the Commission prior to the 2000-01 year-end reconciliation. UCLA will bear the liability of \$21,295.34 for not reporting the payment in a timely manner.

Student No.	CSAC Paid	Institution Paid	Unreported Payments
X1	\$2,286.00	\$3,429.00	\$ 1,143.00
X2	\$3,109.00	\$3,110.00	\$ 1.00
X3	\$ 0.00	\$ 660.00	\$ 660.00
X4	\$ 0.00	\$3,249.00	\$ 3,249.00
X5	\$1,798.00	\$1,799.00	\$ 1.00

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**FINDINGS AND REQUIRED ACTIONS (continued)**


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Student No.	CSAC Paid	Institution Paid	Unreported Payments
X6	\$4,848.00	\$4,849.00	\$ 1.00
X7	\$3,318.00	\$4,977.00	\$ 1,659.00
X8	\$4,719.00	\$6,637.00	\$ 1,918.00
X9	\$3,429.00	\$4,003.00	\$ 574.00
X10	\$ 0.00	\$1,143.00	\$ 1,143.00
X11	\$4,977.00	\$6,045.00	\$ 1,068.00
X12	\$6,636.00	\$6,637.00	\$ 1.00
X13	\$ 0.00	\$ 832.00	\$ 832.00
X14	\$2,286.00	\$3,429.00	\$ 1,143.00
X15	\$1,143.00	\$2,286.00	\$ 1,143.00
X16	\$ 0.00	\$1,143.00	\$ 1,143.00
X17	\$2,064.00	\$2,065.00	\$ 1.00
X18	\$2,825.00	\$2,825.34	\$ 0.34
X19	\$4,977.00	\$6,558.00	\$ 1,581.00
X20	\$1,570.00	\$1,659.00	\$ 89.00
X21	\$1,032.00	\$1,548.00	\$ 516.00
X22	\$2,286.00	\$3,429.00	\$ 1,143.00
X23	\$2,286.00	\$3,429.00	\$ 1,143.00
X24	\$1,143.00	\$2,286.00	\$ 1,143.00
<b>TOTAL UNREPORTED PAYMENTS</b>			<b>\$21,295.34</b>

Total disbursements to be reimbursed by the Commission for the 2000-01 award year equaled \$25,094,618.00 (disbursed amount of \$25,115,913.34 less unreported payments of \$21,295.34). Therefore, the institution disbursed \$67,109.00 less than the amount advanced by the Commission (amount of CSAC advance \$25,161,727.00 less reimbursable payments of \$25,094,618.00) as illustrated in the chart below:

Student No.	CSAC Paid	Institution Paid	Undisbursed Payments
Y1	\$3,429.00	\$2,286.00	\$1,143.00
Y2	\$4,977.00	\$4,848.00	\$ 129.00
Y3	\$4,977.00	\$4,719.00	\$ 258.00
Y4	\$4,977.00	\$3,318.00	\$1,659.00
Y5	\$3,429.00	\$2,286.00	\$1,143.00
Y6	\$3,429.00	\$2,286.00	\$1,143.00
Y7	\$4,977.00	\$4,974.00	\$ 3.00
Y8	\$4,977.00	\$3,318.00	\$1,659.00
Y9	\$2,286.00	\$1,143.00	\$1,143.00

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**FINDINGS AND REQUIRED ACTIONS (continued)**

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<b>Student No.</b>	<b>CSAC Paid</b>	<b>Institution Paid</b>	<b>Undisbursed Payments</b>
Y10	\$4,977.00	\$4,848.00	\$ 129.00
Y11	\$6,405.00	\$4,746.00	\$1,659.00
Y12	\$6,048.00	\$5,919.00	\$ 129.00
Y13	\$4,977.00	\$4,719.00	\$ 258.00
Y14	\$1,548.00	\$1,419.00	\$ 129.00
Y15	\$4,746.00	\$4,488.00	\$ 258.00
Y16	\$5,843.00	\$2,525.00	\$3,318.00
Y17	\$3,318.00	\$3,060.00	\$ 258.00
Y18	\$3,429.00	\$2,286.00	\$1,143.00
Y19	\$3,429.00	\$1,143.00	\$2,286.00
Y20	\$1,548.00	\$1,419.00	\$ 129.00
Y21	\$4,977.00	\$4,848.00	\$ 129.00
Y22	\$3,318.00	\$2,286.00	\$1,032.00
Y23	\$4,037.00	\$3,429.00	\$ 608.00
Y24	\$ 567.00	\$ 566.00	\$ 1.00
Y25	\$4,977.00	\$3,318.00	\$1,659.00
Y26	\$4,977.00	\$3,318.00	\$1,659.00
Y27	\$2,619.00	\$1,548.00	\$1,071.00
Y28	\$3,429.00	\$2,286.00	\$1,143.00
Y29	\$5,843.00	\$4,977.00	\$ 866.00
Y30	\$3,429.00	\$2,286.00	\$1,143.00
Y31	\$3,714.00	\$2,571.00	\$1,143.00
Y32	\$4,037.00	\$3,885.00	\$ 152.00
Y33	\$3,078.00	\$2,543.00	\$ 535.00
Y34	\$4,977.00	\$4,848.00	\$ 129.00
Y35	\$6,633.00	\$6,557.00	\$ 76.00
Y36	\$4,977.00	\$4,967.00	\$ 10.00
Y37	\$2,064.00	\$1,935.00	\$ 129.00
Y38	\$4,037.00	\$3,733.00	\$ 304.00
Y39	\$1,548.00	\$1,032.00	\$ 516.00
Y40	\$6,405.00	\$5,843.00	\$ 562.00
Y41	\$1,143.00	\$ 0.00	\$1,143.00
Y42	\$3,318.00	\$1,659.00	\$1,659.00
Y43	\$1,548.00	\$1,290.00	\$ 258.00
Y44	\$4,977.00	\$4,696.00	\$ 281.00
Y45	\$3,046.00	\$2,970.00	\$ 76.00

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**FINDINGS AND REQUIRED ACTIONS (continued)**


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<b>Student No.</b>	<b>CSAC Paid</b>	<b>Institution Paid</b>	<b>Undisbursed Payments</b>
23*	\$6,405.00	\$5,843.00	\$ 562.00
Y46	\$3,429.00	\$2,286.00	\$1,143.00
Y47	\$4,977.00	\$4,719.00	\$ 258.00
Y48	\$3,130.00	\$ 0.00	\$3,130.00
24*	\$4,189.00	\$3,429.00	\$ 760.00
Y49	\$3,429.00	\$2,180.00	\$1,249.00
Y50	\$4,417.00	\$4,037.00	\$ 380.00
Y51	\$4,569.00	\$4,037.00	\$ 532.00
Y52	\$6,405.00	\$5,843.00	\$ 562.00
Y53	\$4,569.00	\$4,341.00	\$ 228.00
Y54	\$4,569.00	\$4,341.00	\$ 228.00
Y55	\$4,977.00	\$3,318.00	\$1,659.00
Y56	\$4,719.00	\$3,060.00	\$1,659.00
Y57	\$3,429.00	\$2,286.00	\$1,143.00
Y68	\$1,548.00	\$1,032.00	\$ 516.00
Y69	\$3,078.00	\$2,771.00	\$ 307.00
Y60	\$3,429.00	\$2,286.00	\$1,143.00
Y61	\$2,286.00	\$ 0.00	\$2,286.00
Y62	\$3,060.00	\$1,401.00	\$1,659.00
Y63	\$5,843.00	\$5,585.00	\$ 258.00
Y64	\$4,977.00	\$4,848.00	\$ 129.00
Y65	\$6,048.00	\$5,790.00	\$ 258.00
Y66	\$4,977.00	\$4,719.00	\$ 258.00
Y67	\$4,977.00	\$4,719.00	\$ 258.00
Y68	\$2,390.00	\$1,594.00	\$ 796.00
Y69	\$4,977.00	\$4,719.00	\$ 258.00
Y70	\$6,633.00	\$6,405.00	\$ 228.00
Y71	\$4,569.00	\$4,341.00	\$ 228.00
Y71	\$4,569.00	\$4,341.00	\$ 228.00
Y72	\$4,977.00	\$4,848.00	\$ 129.00
Y73	\$1,806.00	\$1,677.00	\$ 129.00
Y74	\$4,977.00	\$4,719.00	\$ 258.00
Y75	\$3,429.00	\$2,286.00	\$1,143.00
Y76	\$4,113.00	\$4,037.00	\$ 76.00
Y77	\$4,977.00	\$3,318.00	\$1,659.00
Y78	\$5,843.00	\$5,691.00	\$ 152.00
Y79	\$4,569.00	\$4,341.00	\$ 228.00

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**FINDINGS AND REQUIRED ACTIONS (continued)**

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Student No.	CSAC Paid	Institution Paid	Undisbursed Payments
Y80	\$4,569.00	\$4,037.00	\$ 532.00
Y81	\$6,633.00	\$6,557.00	\$ 76.00
Y82	\$3,609.00	\$ 0.00	\$3,609.00
Y83	\$4,493.00	\$4,189.00	\$ 304.00
Y84	\$5,843.00	\$5,714.00	\$ 129.00
Y85	\$4,977.00	\$3,318.00	\$1,659.00
Y86	\$4,113.00	\$4,037.00	\$ 76.00
Y87	\$3,903.00	\$3,645.00	\$ 258.00
Y88	\$4,037.00	\$3,809.00	\$ 228.00
Y89	\$4,977.00	\$4,848.00	\$ 129.00
<b>TOTAL UNDISBURSED PAYMENTS</b>			<b>\$67,109.00</b>

*\*Student identified in Finding C of this Report*

**REFERENCES:**

California Education Code, 69535.5  
Institutional Agreement, Article III.B.  
Institutional Agreement, Article III.C.  
Cal Grant Manual, Chapter 6  
Cal Grant Manual, Chapter 9, page 9-6, 9-7, 9-11

**DISCUSSION:**

In response to this finding, the institution must remit the undisbursed funds in the amount of **\$67,109.00** for the 2000-01 award year as directed in the payment instructions located at the conclusion of this report.

Additionally, the institution is required to submit written procedures and internal control measures that will be implemented to ensure that the institution reconciles its records as required by the Institutional Agreement and the Cal Grant Manual. The procedures must include time frames, staff titles, and specific areas of responsibilities as it relates to the Cal Grant reconciliation process.

**INSTITUTION RESPONSE:****F2. Reconciliation Not Completed**  
**Fiscal Responsibility**

- Attachment Spreadsheet
- Check totaling amount due
- Attachment E20A
- Copy of final reconciliation invoice
- Copy of check request



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**FINDINGS AND REQUIRED ACTIONS (continued)**

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Included are policy and procedures to include time frames, staff titles and areas of responsibilities as it relates to the Cal Grant reconciliation process.

Also included is the reconcile funds in the amount of \$67,109.00 for the 2000-01 award year as directed in the payment instructions with attached spreadsheet.

We understand that you need for schools to demonstrate their ability to reconcile funds, but this file would be very useful for schools. We would like to request a flat file for award year 2002-2003. We hope that you find a way to make this file available for us for the current award year but also implement such a request and make it available for schools in the future.

**AUDITOR REPLY:**

The institution returned \$67,109.00 on check #0007411802 dated 1/31/03 and the required policies and procedures, thus, and no further action is required.

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## ATTACHMENT A – STUDENT SAMPLE

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